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## Manzullo agenda stays solid

The GOP congressman continues to be the voice for the manufacturing industry.

*Rockford Register Star*

Don Manzullo is making his mark in Washington. But just how much power does the Republican representative from Egan have?

Using his chairmanship of the House Small Business

Committee as a bully pulpit, Manzullo has been able to make some waves. But he doesn't have much power. Most of his agenda for restoring U.S. manufacturing doesn't even fall under his committee's jurisdiction.

Still, Manzullo persists. He has held more than 50 hearings related to manufacturing and is helping block a tax bill he doesn't think will do enough for U.S. manufacturers. He has called on President Bush's chief economist to

resign for saying that it's economically beneficial to send certain work overseas.

He also has criticized the administration for imposing steel tariffs and urged it to be tougher on China on fair-trade issues. **Please see 1H**



# Revitalizing manufacturing

Rep. Don Manzullo is pushing the limits of his committee's power to help protect jobs.

By MAUREEN GROPPE  
Register Star Washington Bureau

**R**ep. Don Manzullo is carving a niche as an unofficial spokesman for saving U.S. manufacturing jobs. He's held more than 50 hearings related to manufacturing. He is helping block a tax bill he doesn't think will do enough for domestic manufacturers. And he has called on President Bush's chief economist to resign for saying it's economically beneficial to send certain types of work overseas.

Manzullo's outspokenness makes sense, given his district's economic problems.

Unemployment in Boone, Ogle and Winnebago counties was 8.7 percent in February. And the federal government has certified that workers for more than a dozen Rockford-area companies have been hurt by imports or shifts in production to other countries in the past five years.

But there are limits to what Manzullo can do and limits to how far he is willing to go to challenge GOP policies that he believes don't do enough for his constituents.

For example:

■ The House Small Business Committee that Manzullo chairs gives him a bully pulpit, but it doesn't have much power. Most of the items on his seven-point agenda for restoring U.S. manufacturing do not fall under his committee's jurisdiction.

■ Manzullo has defied the chairman of a powerful tax-writing committee by organizing a group of Republicans to block a tax bill he believes favors companies that send production abroad. But he will not work with Democrats to bring to a vote the alternative he co-sponsored. He also was not among the 39 Republicans who joined Democrats last month in an attempt to provide additional benefits for unemployed workers, although he supports doing so.

■ Manzullo has pushed the Bush administration to be tougher with China on fair-trade issues and was one of several lawmakers who met with China's ambassador last month to complain about China's trade practices. He has criticized the administration for imposing steel tariffs and ridiculed the comments on overseas jobs made by Gregory Mankiw, chairman of Bush's Council of Economic Advisers.

Still, Manzullo remains a strong supporter

See **Manzullo, 4H** ►

## Jobless numbers

Unemployment rates for January, according to the U.S. Department of Labor's Bureau of Labor Statistics:

- Rockford: 8.9 percent
- Illinois: 6.2 percent
- United States: 5.6 percent

## On the Web

■ Find vote information, a link to Rep. Don Manzullo's House Web site, or a bill or law at [www.house.gov/](http://www.house.gov/)

■ Manzullo is chairman of the Small Business Committee. Check on its activities at [www.house.gov/smbiz/](http://www.house.gov/smbiz/)



Photo illustration by  
Eloisa Ocegueda and Alan León / Rockford Register Star



“For five years I’ve been screaming about the fact that the machine tool industry is in a decline. That’s the canary in the coal mine. The first area to go is the machine tool industry. I said, ‘Watch out.’”

— U.S. Rep. Don Manzullo, R-Egan

# Revitalizing manufacturing

► Manzullo from Page 1H

of the president and says the administration is doing more than people realize to help manufacturers.

His stance has drawn favorable reviews from business groups and a mixed response from unions.

“Our view is, he’s played a constructive role in drawing attention to the plight of manufacturing,” said Bill Samuel, legislative director at the AFL-CIO. “But he’s passed on a number of opportunities to help manufacturers and manufacturing workers over a long congressional career.”

## Canary in a coal mine

Rockford led the country in unemployment in the early 1980s. Since Manzullo began representing Rockford in 1993, unemployment has improved. But the area has lost more than one-quarter of its manufacturing jobs, nearly 14,000, since 1995, according to the U.S. Department of Labor’s Bureau of Labor Statistics.

Manzullo, a lawyer from Egan, said he started sounding the alarm in Washington because of problems faced by machine tool makers in his district.

“For five years I’ve been screaming about the fact that the machine tool industry is in a decline,” he said. “That’s the canary in the coal mine. The first area to go is the machine tool industry. I said, ‘Watch out.’”

The bureau says the country is in its 43rd consecutive month of job losses in manufacturing.

Manzullo gained a megaphone in 2001, when he took over the chairmanship of the Small Business Committee. The committee is less prestigious and powerful than the “major” committees that write tax or spending bills or have broad authority over business issues. But Manzullo has used his chairmanship to hold hearings on the problems he saw.

“The more I talked about it, the more I found that a good number of policy makers in Washington ... are nice guys, but they don’t understand manufacturing.”

The hearings have been appreciated by interest groups in Washington and back home.

“The congressman is constantly calling people from his district to testify,” said Chris Agnitsch, vice president of government affairs for the Rockford Regional Chamber of Commerce. “We think that that is just a great opportunity to make their voices heard in Washington.”

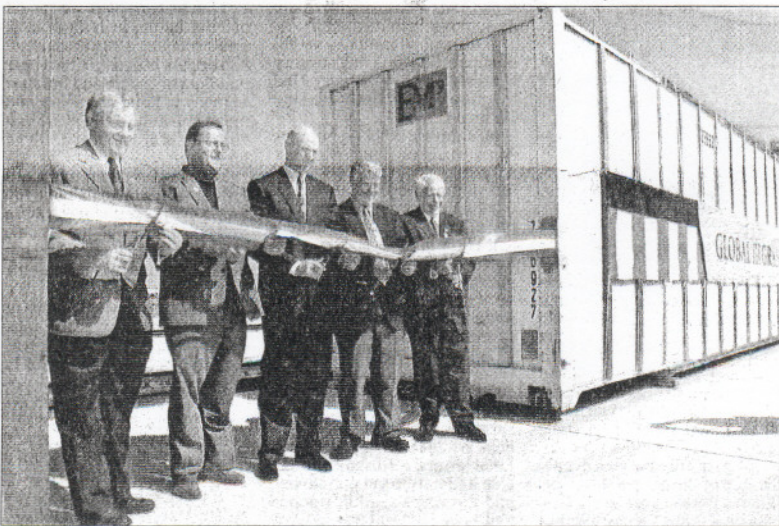
The National Association of Manufacturers, which doesn’t agree with Manzullo on every issue, gave him a wooden nameplate last year declaring him “Chairman of Manufacturing.” It’s on his desk in Washington.

“He certainly has been one of the few members who’s really raised the level of awareness about the challenges facing manufacturers in America,” said Fred Nichols, the group’s chief lobbyist and political director.



Gannett News Service file photo

U.S. Rep. Don Manzullo, R-Ill., chairs a hearing to determine the cause of rising steel prices and the impact on small manufacturers in the House Committee on Small Business on March 10 on Capitol Hill.



Rockford Register Star file photo/Michael Clancy

State Sen. Brad Burzynski, from left, Mayor of Rochelle Chet Olson, Ike Evans, President and Chief Operating Officer of Union Pacific Railroad, U.S. Rep. Don Manzullo, and state Rep. David Wirsing cut the ribbon on Aug. 27, 2003, to officially open the Union Pacific Railroad Global III Intermodal Hub in Rochelle.



### Challenging GOP leaders

But the group isn't siding with Manzullo on the biggest legislative issue that he's been able to affect: a bill that would replace a tax break for U.S. exports with other tax benefits.

The association backs the version passed by the House Ways and Means Committee; Manzullo says that version would not do enough for U.S. companies that keep most of their production facilities in the United States.

Enough fellow Republicans have agreed with him to prevent the House from passing the bill. That's despite the fact that the European Union is imposing tariffs on various U.S. products in retaliation for the United States not repealing the export tax break.

"He's had a big impact because he's convinced a number of his colleagues to go along with him," said Paul Freedenberg, vice president of government relations for the Association for Manufacturing Technology. "They wouldn't do it if they didn't feel the same sort of stresses that Rockford's feeling."

However, Manzullo has not sided with Democrats who are trying to use a procedural move to force a vote on the bipartisan alternative that bears his name.

Manzullo said he doesn't support the maneuver because it's not needed and would give Democrats control of floor action.

"We've got plenty of talks going on in our own party to resolve this issue," he said.

## The Manzullo file

- **Name:** Don Manzullo
- **Age:** 60
- **Born:** March 24, 1944, in Rockford
- **Education:** Bachelor's degree from American University, 1967; law degree from Marquette University, 1970
- **Religion:** Baptist
- **Family:** Wife, Freda; three children
- **Home:** Egan
- **Career experience:** attorney, 1970-92; U.S. House, since 1993
- **Committees:** Financial Services; Small Business (chairman)
- *Source: Almanac of American Politics, 2004*

Democrats also are trying to overcome Republican leaders' opposition to extending unemployment benefits to Americans who have exhausted 26 weeks of state benefits.

Nearly 17,700 Illinoisans exhausted their unemployment benefits in January, according to the Center on Budget and Policy Priorities, a liberal think tank in Washington.

Manzullo signed onto a Republican benefits-extension bill, but it has not been brought to a vote.

Democrats offered an extension as an amendment to an unrelated bill last month, a move that was supported by 39 House Republicans.

Manzullo said he didn't join that effort because it would have created a program not extended one.

But the labor union's lobbyist said the amendment was the only way to get the administration's attention.

## Election 2004

U.S. Rep. Don Manzullo, R-Egan, first elected to the 16th District Congressional seat in 1992, will face Harvard resident John Kutsch, a Democrat, in the November election.

Manzullo easily beat Kutsch in 2002, getting 133,339 votes; Kutsch had 55,488.

"By not voting on this extension, he's basically supporting the leadership's strategy of preventing a real vote," Samuel said.

### Backing Bush

Asked whether the Bush administration's policies have been good for Rockford's manufacturers, the Rockford chamber has a qualified answer:

"We believe the administration has the best intentions for manufacturing in the United States," Agnitsch said. "But — and that's the big but — the concerns of domestic producers and small manufacturers need to be heard and they need to be reflected in policy to reward those who chose to continue to employ American workers."

Manzullo, likewise, says "it's kind of hard to answer" whether Bush's policies have helped manufacturers. "There's only so much the government can do."

The government can't interfere too much, he said, such as when the administration imposed tariffs on steel imports to help domestic producers and hurt manufacturers that use steel.

Manzullo backs Bush's proposals to help business, including regulatory reform, tax cuts and limiting medical liability to reduce health insurance costs.

"He's got a great plan, but it's

very, very hard to get that out because it's so structural that it's easy to miss. What we're trying to do is continue to work with the president to sharpen his focus on particular areas so that his package is perceived as more complete than it is now."

Is Manzullo getting heard? It's hard to say.

■ The administration lifted the steel tariffs that Manzullo and others complained about, but not for the reasons Manzullo gave.

■ White House spokesman Scott McClellan said it was "kind of laughable" to talk about firing Mankiw for his outsourcing comments.

■ The administration has not persuaded the Chinese to stop manipulating its exchange rate to make its goods cost less.

■ The Commerce Department has tried to show its concern about manufacturing by holding hearings across the country, issuing a report and creating a post to look out for manufacturing. But the administration pulled its choice for that position this month because the prospective nominee recently opened a plant in China.

Manzullo and Rep. Bob Ney, a Republican from Ohio whose district has lost a lot of jobs, have asked for a meeting with Bush to talk about their manufacturing concerns. The meeting hasn't been scheduled.

"It'll take some time. We're not quite ready to sit down with him today," Manzullo said. "We'll meet with some other people in between. But that's OK. We had asked for a meeting four or five months ago and the president was overseas. Within a couple days, (Commerce Secretary) Don Evans stopped by. That's pretty good."

## Manzullo's airtime

U.S. Rep. Don Manzullo, R-Egan, has been outspoken in his support for U.S. manufacturing. As chairman of the House Small Business Committee, the congressman has held more than 50 hearings related to manufacturing. He's also become a media favorite on the issue, making numerous TV appearances and getting quoted in national and international publications.

Here's a sample of Manzullo's appearances:

■ **Television and radio:** CNN's "Market Watch" program; CNN's "Lou Dobbs Tonight;" ABC's "World News Tonight with Peter Jennings;" CNN International; MSNBC; Bloomberg News; National Public Radio's "All Things Considered."

■ **Print:** Washington Post; New York Times; Wall Street Journal; Asian Wall Street Journal; publications in India, China and South Korea; numerous regional newspapers and magazines.

*Source: Rich Carter, spokesman for Rep. Don Manzullo*



# To the rescue: The seven-point Manzullo plan

U.S. Rep. Don Manzullo has outlined seven areas where steps should be taken to help U.S. manufacturers:

## ■ Tax relief

The main tax relief for manufacturers this year is likely to be a bill to replace an export tax break with other help for businesses. Manzullo says the lead House bill won't do enough for domestic manufacturers. He has helped block it but is not working with Democrats to try to force a vote on the bipartisan version he co-sponsored.

## ■ Foreign currency

Manzullo is among the many lawmakers who believe China and other East Asian

countries are unfairly manipulating their exchange rates to make their goods cost less. He has urged the Bush administration to do everything it can to force a change, but the administration has ruled out an official trade investigation that could lead to sanctions.

## ■ Increasing federal Buy American requirements

Manzullo tried to amend several of last year's annual spending bills to increase requirements that the federal government buy U.S.-made goods. While many of his attempts were shot down, a defense bill approved by Congress included a weaker ver-

sion of Buy American language supported by Manzullo and others. The bill requires, for example, that the Defense Department offer incentives for contractors to buy U.S.-made tools instead of requiring that machine tools used in defense programs be 100 percent American-made in four years.

## ■ Steel tariffs

Manzullo was among lawmakers who complained that the tariffs the administration imposed on imported steel in 2002 were hurting U.S. manufacturers that use steel in their products. The administration rejected that argument but lifted the tariffs in December

because officials said they had done their job in helping get U.S. steel back on its feet.

## ■ Cutting health-care costs

Manzullo backs Association Health Plans favored by Republicans to help small businesses buy health insurance through groups. Opponents say the plans would allow insurers to bypass state laws mandating certain protections for consumers.

Manzullo also backs efforts to limit malpractice awards in hopes that it would decrease the cost of health insurance.

## ■ Expand federal programs for small manufacturers

Manzullo's bill renewing

small-business programs, which his committee oversees, includes increased loan limits in several federal loan programs for manufacturers. The bill is pending in the House.

## ■ Export control policy

Manzullo says U.S. manufacturers are hurt by regulations aimed at protecting national security, such as bans on high-tech machine tools to certain governments. He also thinks it should be easier for foreigners interested in doing business in the United States to get visas. He has held hearings on the issue and said the administration is considering changes.